
Money Follows the Person (MFTP) Rebalancing Demonstration

Enacted by the Deficit Reduction Act 2005, the MFTP Rebalancing Demonstration is part of a comprehensive, coordinated strategy to assist States in making widespread changes to their long-term care support systems. This initiative is intended to assist in reducing reliance on institutional care while developing community based opportunities for individuals in need of long term care services and supports.

Grant Highlights

- CMS will give states a total of \$1.75 billion over five years to help shift Medicaid from its historical emphasis on institutional care to a system that offers more choices for community care.
- The demonstration requires transitioning individuals from institutions who want to live in the community and promotes a person-centered planning approach to the provision of community care and institutional care.
- Grants will be awarded to States from January 1, 2007 through September 30, 2011.
- The demonstration provides for enhanced federal medical assistance percentage (FMAP) for 12 months for qualified home and community services for each person transitioned from an institution to the community during the demonstration period.
- Eligibility for transition is dependent upon an individual residing in a qualified institution/inpatient facility and is receiving Medicaid benefits for the institutional services. An inpatient facility means a hospital, nursing facility, or intermediate care facility for persons with mental retardation.
- The State must agree to continue to provide community services after the 12 month period for as long as the person needs community services and is Medicaid eligible.
- CMS will accept one proposal from each State with the Single State Medicaid Agency being the lead applicant.
- The demonstration period can be no less than two years and no greater than 5 years.
- The State must identify the target population(s), the number of individuals it intends to transition and the estimated total annual qualified expenditures for each fiscal year of the demonstration.
- The demonstration must propose a system of Medicaid home and community-based care that will be sustained after the demonstration period.
- The demonstration must be conducted in conjunction with a "qualified HCBS program."

Demonstration Objectives

1. Increase the use of home and community-based, rather than institutional, long term care services;
2. Eliminate barriers or mechanisms, whether in the State law, the State Medicaid Plan, the State budget, or otherwise, which prevent or restrict the flexible use of Medicaid funds to enable Medicaid-eligible individuals to receive their choice of long term care services and supports;
3. Increase the ability of the State Medicaid program to assure continued provision of home and community-based long-term care services to eligible individuals who choose to transition from an institution to a community setting; and
4. Ensure that procedures are in place to provide quality assurance for eligible individuals receiving Medicaid home and community-based long-term services and to provide for continuous quality improvement in such services.

Demonstration Structure

- The State must employ a full-time Project Director employed by the Medicaid Agency and will be given a period of no less than the first three months and no longer than twelve months to engage in formal planning.

- Phase One: Pre-implementation: The State must submit to CMS, for approval, no later than 12 months from the date of approval, the Operational Protocol. Pre-implementation activities are reimbursed at the 50/50 administrative rate.
- Phase Two: Implementation: The State will be permitted to claim the enhanced match rate for HCB services for demonstration participants. During this phase, all "qualified expenditures" will be eligible for FMAP at the enhanced rate specified in the statute. The enhanced FMAP is only for demonstration participants.
- All other Medicaid services (including physician, prescriptions, inpatient, etc.) are reimbursed at the standard FMAP rate.
- Qualified expenditures may be both included under the State's "qualified home and community-based program" or otherwise delivered as part of the demonstration.
- Qualified expenditures may be made from the date of transition into the community through 12 months after that transition date.
- Qualified home and community-based program is the service package that the State will make available to demonstration participants when they move to their community-based residence exclusive of demonstration services. This program can be comprised of 1915(b), 1915(c), and/or State Plan services.
- A State may receive regular match for supplemental demonstration services that it wishes to add during the demonstration. These services are not long-term care in nature, but the State may propose them because they are essential for successful transition to the community. (i.e. vehicle modification)
- Qualified residence is defined: as a home owned or leased by the individual or family members; an apartment with an individual lease; and a residence, in a community-based residential setting, in which no more than 4 unrelated individuals reside.

Application Status

After consulting with the Departments of Senior Services, Public Health, Rehabilitation Services, Legislative Fiscal Office, members of Medicaid's Long Term Care Choices Workgroup, and others, Medicaid has been unable to develop a grant model meeting the federal grant requirements of MFTP. Before pursuing implementation of a statewide project offering expanded home and community services to individuals currently receiving care in a nursing home, issues of service delivery, support, quality assurance, and funding must be understood and addressed. Concerns that require specific action plans to ensure individuals are appropriately cared for in the community and receive quality care include:

1. The number of qualified, trained providers across the state and whether the existing pool of providers is adequate
2. Quality assurances that care provided in a less regulated environment will meet an individual's need and be delivered in a safe and appropriate manner
3. The availability of housing for individuals who are currently residing in a nursing home as many of them sold previous homes when moving into an institutional setting
4. The need to provide significant modification to housing to create a safe and appropriate environment for a nursing home resident to transition into
5. The need for fiscal case management services to assist individuals in ensuring funds are spent appropriately
6. Funding mechanisms to ensure sustainability of new home and community based services beyond the existing Medicaid programs.